

COMMONWEALTH OF MASSACHUSETTS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards is presented on the Commonwealth's statutory basis of accounting. It is drawn primarily from the Massachusetts Management Accounting and Reporting System (MMARS), the centralized accounting system which is the basis for the Commonwealth's combined financial statements - statutory basis as published in the Commonwealth's Statutory Basis Financial Report for the fiscal year ended June 30, 1999.

The Schedule of Expenditures of Federal Awards also includes certain programs administered by the Commonwealth's public institutions of higher education, except for the University of Massachusetts, which issues its own Schedule of Expenditures of Federal Awards and Data Collection Form, and the activity of certain non-cash programs. The detail of such program activity is maintained by the institutions and responsible administrative departments.

Statutory basis expenditures are generally recorded when the related cash disbursement occurs. At year-end, payroll is accrued and payables are recognized for goods or services received by June 30, to the extent of approved encumbrances.

The following is a reconciliation of the Schedule of Expenditures of Federal Awards to the combined financial statements-statutory basis (amounts in thousands):

Total federal revenues per Statutory Basis Financial Report	5,495,619
Add:	
Programs administered by public institutions of higher education	55,541
State share of U. I. funds from note 8	828,997
Expenditures	2,087
Non-cash programs:	
Food stamp script	208,975
Value of donated food	16,525
Vaccine purchases directly by federal government	13,490
Subtract:	
Medicare reimbursements	(27,064)
Total expenditures of federal awards per schedule	<u><u>6,594,170</u></u>

The Commonwealth receives payments from the federal government on behalf of Medicare eligible patients for whom it has provided medical services at its state-operated medical facilities. Since these payments represent insurance coverage provided directly to individuals under the Medicare entitlement program, they are not included as federal financial assistance.

The Commonwealth has generally combined its departmental program accounts by federal catalog number, and it has made a concerted effort to reduce the number of program accounts lacking full catalog number identifiers.

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NOTE 2 - REPORTING ENTITY

The Schedule of Expenditures of Federal Awards includes various departments, agencies, boards and commissions governed by the legislature, judiciary and/or constitutional officers of the Commonwealth of Massachusetts. It also includes research grants and contracts and federally-funded financial assistance to students provided to the Commonwealth's institutions of public higher education, excluding the University of Massachusetts, which is reported separately, and the values of food stamps and commodities received under U.S. Department of Agriculture programs.

The Schedule of Expenditures of Federal Awards does not include federal funds received and expended by independent authorities and other organizations included in the reporting entity under the criteria of the Governmental Accounting Standards Board, as described in Note 1 to the Commonwealth's general purpose financial statements published in the Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. These authorities and organizations are responsible, where necessary, for obtaining separate audits of their federal awards.

NOTE 3 - SOCIAL SECURITY DISABILITY INSURANCE PROGRAM

The Massachusetts Rehabilitation Commission operates the Social Security-Disability Insurance Program and the Supplemental Security Income Disability Program (CFDA 96.001 and 96.006, respectively) under a single state appropriation and departmental program account. On an operating basis, expenditures are allocated between the programs based on medical expenses incurred; personnel and overhead costs are determined by the Social Security Central Office. For the fiscal year ended June 30, 1999 expenditures of \$12,155,450 were attributed to the Supplemental Security Income Disability Program.

NOTE 4 - DONATED FOOD VALUE

Donated food represents surplus agricultural commodities received from the U.S. Department of Agriculture valued in accordance with federal guidelines. Commodity inventories at June 30, 1999 totaled approximately \$1,496,931.

NOTE 5 - HIGHER EDUCATION FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The 24 public institutions of higher education, excluding University of Massachusetts, record expenditures for financial assistance programs as follows:

84.007	FEDERAL SUPPLEMENTAL EDUCATION OPPORTUNITY GRANTS	3,231,564
84.033	FEDERAL WORK STUDY PROGRAM	4,569,696
84.063	FEDERAL PELL PROGRAM	39,846,840
84.999	OTHER STUDENT SERVICES	7,867,197
93.364	STUDENT NURSING LOANS	216,349
	PUBLIC INSTITUTIONS OF HIGHER EDUCATION TOTAL	<u>55,731,645</u>

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NOTE 6 - FEDERAL FAMILY EDUCATION (FFEL) AND FEDERAL DIRECT STUDENT LOANS (FDL)

The Schedule of Expenditures of Federal Awards does not include FFEL (CFDA 84.032) nor FDL (84.268) which are made directly to individual students. For Massachusetts' residents, FFEL loans are guaranteed by the American Student Assistance Corporation, which is not part of the reporting entity of the Commonwealth. FDL loans are made directly by the U.S. Department of Education. FFEL loans made to students enrolled in the Commonwealth's public institutions of higher education during fiscal year 1999 totaled \$27,758,702; FDL loans totaled \$31,875,653.

NOTE 7 - FEDERAL PERKINS LOAN PROGRAM

The Federal Perkins Loan Program (CFDA 84.038) is administered by the Commonwealth's public institutions of higher education, excluding the University of Massachusetts. Fiscal year 1999 activity and loans outstanding at June 30, 1999, are summarized as follows:

Federal revenues	\$ 44,529
Loan repayments	\$ 2,192,559
Loan funds disbursed	\$ 2,993,907
Loans outstanding at June 30, 1999	<u>\$ 16,373,934</u>

NOTE 8 – UNEMPLOYMENT INSURANCE PROGRAM (UI) CFDA 17.225

The U.S. Department of Labor, in consultation with the Office of Management and Budget officials, has determined that for the purpose of audits and reporting under OMB Circular A-133, state UI funds as well as federal funds should be considered federal awards for determining Type A programs. The State receives federal funds for administrative purposes. State unemployment taxes must be deposited to a state account in the Federal Unemployment Trust Fund, used only to pay benefits under the federally approved state law. State UI funds as well as federal funds are included on the Schedule of Expenditures of Federal Awards. The following schedule provides a breakdown of the state and federal portions of the total expended under CFDA Number 17.225:

State UI Funds	\$ 828,997,307
Federal UI Funds	<u>73,416,106</u>
Total Expenditures	<u>\$ 902,413,413</u>

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NOTE 9 - PROGRAM CLUSTERS

In accordance with Subpart A §_.105 of OMB Circular No. A-133, *Audits of States, Local Governments and Non-Profit Organizations*, the Commonwealth has clustered certain programs in determining major programs. The following represents the clustered programs:

Note 9- Program Clusters

Medical Assistance Program	CFDA# 93.778
State Medicaid Fraud Control Units	CFDA# 93.775
State Survey and Certification of Health Care Providers	CFDA# 93.777
Handicapped-State Grants	CFDA# 84.027
Handicapped-Preschool Grants	CFDA# 84.173
National School Lunch Program	CFDA# 10.555
School Breakfast Program	CFDA# 10.553
Special Milk Program for Children	CFDA# 10.556
Summer Food Service Program	CFDA# 10.559
SFA	Various
Food Stamps	CFDA# 10.551
State Administrative Matching Food Stamps	CFDA# 10.561
Section 8 Rental Certificate Program	CFDA# 14.857
Section 8 Rental Voucher Program	CFDA# 14.855
Lower Income Housing Assistance Program Section 8 Moderate	CFDA# 14.856
Section 8 New Construction	CFDA# 14.182
Child Care and Development Block Grant	CFDA#93.575
Child Care Mandatory and Matching Funds for Child Care and Development	CFDA#93.596

NOTE 10 – SUBRECIPIENTS

In OMB Circular A-133 §_.105 subrecipients are defined as non-Federal entities that expend federal awards received from a pass through entity to carry out a Federal program, but do not benefit from that program. In fiscal year 1999, the Commonwealth passed through the following amounts to subrecipients:

CFDA #	Program Name	Total Expenditure
10.551	FOOD STAMPS	\$76,616
10.553	SCHOOL BREAKFAST PROGRAM	\$18,601,308
10.555	NATIONAL SCHOOL LUNCH PROGRAM	\$79,749,865
10.557	SPECIAL SUPPLEMENT FOOD FOR WIC	\$9,967,233
10.560	ST. ADMIN EXP CHILD NUTRITION	\$900
10.664	COOPERATIVE FORESTRY ASSISTNCE	\$189,195
11.419	COASTAL ZONE MNGT ADMIN AWARD	\$3,149
11.420	COASTAL ZONE MNGT ESTUARINE RR	\$31,642

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11.611	MANU EXTENSION PARTNERSHIP	\$1,481,749
12.607	COMMUN ECON ADJ PLANNING ASST	\$1,911,113
14.182	LOW INC HSNB ASST PROG-SECT 8	\$5,451,114
14.228	COMMUNITY DEVELOP BLOCK GRANTS	\$39,272,761
14.231	EMERGENCY SHELTER GRANT PROG	\$1,111,195
14.235	SUPPORTING HOUSING PROGRAM	\$5,528,303
14.238	SHELTER PLUS CARE	\$1,526,507
14.239	HOME INVEST PARTNERSHIPS PROG	\$8,459,530
14.241	HSNB OPERTION FOR PERSONS W AIDS	\$961,697
14.408	FHIP-ADMIN ENFORCEMENT INITAT	\$400
14.855	SECTION 8 RENTAL VOUCHER PROG	\$23,867,214
14.856	SECT 8 LOWER INCOME HSNB ASST PROG	\$11,881,894
14.857	SECTION 8 RENTAL CERTIFICATE PRGM	\$69,055,008
14.900	LEAD BSD PAINT HAZ CNTRL PROG	\$162,271
14.999	DEPT OF HSNB&URBAN DEVT - MISC	\$17,977
15.614	COAST WETLND PLAN, PROTECT&RESTORATION	\$109,675
15.616	CLEAN VESSEL ACT	\$371,755
15.904	HISTORIC PRESERVATION FUND	\$179,390
15.999	DEPT OF INTERIOR CFDA UNKWN	\$15,000
16.393	RES SUBST ABUSE TREAT PRISONRS	\$166,345
16.540	JVNLE JUST/DELIN PREVENT-STATE	\$1,638,864
16.579	BYRNE FORMULA GRANT PROGRAM	\$3,052,248
16.580	BYRNE MEMORIAL LAW ENFORCEMENT	\$60,973
16.586	VIOLENT OFFENDER INCARCERATION	\$36,096
16.588	VIOLENCE AGAINST WOMEN FORMULA	\$35,409
16.589	RURAL DOMESTIC VIOL&CHILD VICTIM	\$191,848
16.592	LOCAL LAW ENFORCEMENT BLOCK GRANT	\$4,839
16.595	EXEC OFFICE FOR WEED AND SEED	\$123,448
16.597	MOTOR VEHICLE THEFT PREVENTION	\$47,250
17.207	EMPLOYMENT SERVICE	\$4,693,761
17.225	UNEMPLOYMENT INSURANCE	\$94,077
17.245	TRADE ADJUSTMNT ASSIST-WORKERS	\$4,564,128
17.246	EMPLYMT&TRAIING ASSIST DISCLOCATED WKRS	\$18,280,471
17.250	JOB TRAINING PARTNERSHIP ACT	\$28,085,405
17.253	WELFARE TO WORK GRANTS	\$6,844,547
17.801	DISABLED VETS OUTREACH	\$57,142
17.802	VETERAN`S EMPLOYMENT PROGRAM	\$40,000
17.804	LOCAL VETS EMPLOYMENT REP PROG	\$35,141
20.505	FEDERAL TRANSIT TECHNICAL STUDIES	\$1,255,941
20.507	FEDERAL TRANSIT CAPITAL/OPERATING ASST	\$565,599
20.509	PUBLIC TRANSPORT NONURBAN AREA	\$1,294,657
20.513	CAPITAL ASSIST-ELDER/DISABLED	\$20,965
20.600	STATE&COMMUNITY HIGHWAY SAFETY	\$442,953
45.024	PROMOTION OF THE ARTS GRANTS	\$518,600
45.310	LSTA STATE GRANTS	\$1,253,870
47.076	EDUCATION AND HUMAN RESOURCES	\$1,184,546
66.454	WATER QUALITY MANAGEMENT PLANNING	\$244,327
66.456	NATIONAL ESTUARY PROGRAM	\$487,268
66.460	NONPOINT SOURCE IMPLEMENTATION	\$244,482
66.605	PERFORMANCE PARTNERSHIP	\$209,372
66.606	SURVEYS/STUDIES/INVESTIGATIONS	\$124,702
66.708	POLLUTION PREVENTION GRNTS PRG	\$22,033
81.041	STATE ENERGY PROGRAM	\$34,590
81.042	WEATHERIZATION ASST/ LOW-INC PERS	\$3,163,907

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81.999	DEPT OF ENERGY CFDA UNKNOWN	\$517,055
83.534	EMERGENCY MGMT-STATE&LOCAL ASST	\$470,616
83.535	MITIGATION ASSITANCE PROGRAM	\$1,013,596
83.536	FLOOD MITIGATION ASSISTANCE	\$150,000
83.544	PUBLIC ASSITANCE	\$8,606,442
84.002	ADULT ED-STATE GRANT PROGRAM	\$5,178,451
84.010	TTL I GRNTS-LOCAL ED AGENCIES	\$138,851,377
84.011	MIGRANT EDUC BASIC ST FRMLA GR	\$2,237,282
84.027	SPECIAL EDUCATION-STATE GRANTS	\$81,697,913
84.034	PUBLIC LIBRARY SERVICES	\$113,628
84.048	VOCATION ED BASIC GRANT-STATES	\$15,240,573
84.126	VOCATIONAL REHAB GRANTS-STATES	\$21,228
84.154	PUBLIC LIBRARY CONSTR & TECH	\$397,817
84.162	IMMIGRANT EDUCATION	\$2,980,179
84.168	EISNHWR PROF DEV-FED ACTIVS	\$140,000
84.173	SPECIAL EDUCATION-PRESCHL GRNT	\$6,974,428
84.181	SPECIAL ED-GRANT INF&FAM W AIDS	\$8,348,671
84.186	DRUG-FREE SCHL&COMM-STATE GRNT	\$7,248,362
84.190	CHRISTA MCAULIFFE FELLOWSHIPS	\$36,400
84.196	ED FOR HOMELESS-CHILDREN/YOUTH	\$458,397
84.213	EVEN START-ST EDUCTNL AGENCIES	\$1,985,997
84.216	CAPITAL EXPENSES	\$1,760,939
84.243	TECH-PREP EDUCATION	\$1,376,852
84.257	NATL INSTITUTE FOR LITERACY	\$97,280
84.276	GOALS 2000-ST&LOC ED IMP GRNTS	\$8,832,990
84.278	SCHOOL TO WORK	\$174,750
84.281	EISENHOWERPROF DEVELOP STATE	\$5,707,460
84.282	CHARTER SCHOOLS	\$2,909,100
84.298	INNOVATIVE EDUCATION PROG STRA	\$5,724,374
84.318	TECHNOLOGY LITERACY CHALLENGE	\$7,066,353
84.332	COMPREHENSIVE SCHOOL REFORM	\$1,976,238
93.044	SPC PROGS AGING TITIII, PRT B	\$7,653,349
93.045	SPC PROGS AGING TITLEIII,PRTC	\$12,174,415
93.110	MATERNAL/CHILD HEALTH PROGRAMS	\$74,302
93.116	PRJCT GRNT&COOP AGRMNTS-TBRCU	\$362,239
93.118	AIDS ACTIVITY	\$24,000
93.135	CTRS FOR RESEARCH&DEMO HLTH PR	\$610,207
93.136	INJURY PREVENTION&CONTRL RESEARCH	\$33,504
93.153	HIV DEMOPROG FOR WO\CH\ADOLS	\$696,428
93.268	CHILDHOOD IMMUNIZATION GRANTS	\$911,430
93.283	CNTR DIS CNTR-INVST\TECH ASST	\$600
93.556	FAM PRESERV & SUPPORT SERVICES	\$71,876
93.565	STATE LEG IMPACT ASSIST GRANTS	\$86,378
93.566	REFUGEE AND ENTRANT ASSISTANCE	\$561,285
93.568	LOW-INCOME HOME ENERGY ASSIST	\$44,133,674
93.569	COMM SERVICES BLOCK GRANT	\$11,547,685
93.575	CHILD CARE & DEVELOPMENT BLOCK GRANT	\$101,596,203
93.596	CHILD CARE MANDATORY&MATCH FDS	\$61,231,486
93.631	DEVELOP DISABILITIES PROJECT	\$375,798
93.643	CHILDRN JUSTICE GRANTS-STATE	\$9,125
93.667	SOCIAL SERVICES BLOCK GRANT	\$90,926,025
93.671	FAMILY VIOLENCE PRVNTN & SERVICE	\$89,379
93.917	HIV CARE FORMULA GRANTS	\$9,720,236
93.919	COOP AGR BREAST7CERVICAL CANCER	\$2,120,332

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93.940	HIV PREVENTION ACTIVITIES	\$4,693,084
93.944	MTRNL&CHILD HLTH SERV BLK GRNT	\$4,363,906
93.945	ASST PROG FOR CHRONIC DISEASE	\$145,000
93.949	COMMTY COMP. HIV/STD/TB OUTRCH	\$300,498
93.959	SUBSTANCE ABUSE PREVENT TREAT	\$21,547,261
93.987	HEALTH PROGRAMS FOR REFUGEES	\$20,854
93.988	COOP AGRMTS-ST DIABTS CNTR/EV	\$208,849
93.991	PREVNT HLTH/HLTH SER BLK GRNT	\$2,372,330
93.999	DEPT OF HEALTH & HUMAN SERV - MISC	\$8,225
94.004	LEARN & SERVE AMERICA SCHOOL	\$329,334